APPLICATION PACKAGE INFORMATION

This Application Package explains how to apply for the Community Development Funds I and II, and Mini-Entitlement Program, including information on what to submit, deadlines, special eligibility standards, and the application review processes. This Guidance material should be read in conjunction with the One Year Action Plan, which applicants should read first. *The One Year Action Plan takes precedence over language in all program components within this Application.*

The Department of Housing and Community Development provides technical assistance to cities and towns interested in applying to the Massachusetts CDBG program. Applicants are strongly encouraged to call program staff with questions. Municipal officials or their designees are welcome to come to DHCD's offices to meet with staff. In addition, Technical Assistance Memos are available online for interested applicants. These documents describe design options and the regulations governing projects. To schedule an appointment, or to request a Technical Assistance Memo, please call (617) 573-1400 or e-mail Maria.Ferrario@state.ma.us .

APPLICATION SUBMISSION REQUIREMENTS

Community Development Funds I and II / Mini-Entitlement Program

Community Development Funds I and II are competitive programs. The Community-Wide Needs Score, a statistical need score assigned to each community, determines whether a community may apply under the CDF I or CDF II program component.

DHCD will offer an on-line, web-based application process for FY 2006, in conjunction with a new, web-based grants management system. Communities are not required to apply on-line but are encouraged to do so. DHCD will offer training for applicants regarding the on-line system and the on-line application process.

A NOTICE OF INTENT for each proposed CDF application that is not filed on-line, must be submitted by CDF I and CDF II applicants at least 14 days before the application deadline. The Notice of Intent is a prerequisite for the submission of a hard copy, CDF application.

The deadline for the Notice of Intent is Wednesday March 15, 2006. Notices of Intent must be filed online or e-mailed to Maria.Ferrario@state.ma.us by the due date above.

Applications are due by 5:00 PM or the close of business on Wednesday March 29, 2006.

Applications/NOIs should be addressed as follows:

Massachusetts CDBG Program
Department of Housing and Community Development
Division of Community Services
100 Cambridge Street, Suite 300
Boston, Massachusetts 02114

Communities may file on-line by the submittal deadline with the Department or, if submitting hard copy applications, communities must submit one (1) original and three (3) copies of their application by the submittal deadline. Please provide two (2) Application Cover Sheets in the original application (one (1) original and one (1) copy) and a copy in each of the three (3) application copies. For activities that require plans or design-development drawings, communities must include one 11"x17" sized set of drawings and a set of specifications with each of the application copies. All pages in the application should be numbered, and a Table of Contents should be provided. In order to conserve resources, only two copies need to be in a three ring binder, the other two should be either stapled or bound by a large clip. Please be sure to include your contact's email address on the Cover Sheet. Please also note the page limitations for each section carefully.

APPLICATION TRAINING AND TECHNICAL ASSISTANCE

Massachusetts CDBG typically offers training workshops and ongoing technical assistance throughout the application period. Workshop locations, dates and times will be distributed to communities. Please check our Web site at www.mass.gov/dhcd for the latest information about the dates and location of the workshops. We *strongly recommend* that if a municipality plans to apply for a CDF I, CDF II, or Mini-Entitlement grant, a representative should attend one of the workshops or speak with a Massachusetts CDBG Program Representative. A presentation will be given on general program information, CDBG requirements, and competitive guidance. In addition, staff will be available to discuss potential projects. Local officials or their designees are welcome to examine previously funded applications in the DHCD office in Boston. Experience shows that communities that seek DHCD assistance generally write more competitive applications than those that do not. If you want to talk to a Program Representative or make an appointment to review previously funded applications, call (617) 573-1400 or e-mail Maria.Ferrario@state.ma.us .

It is extremely important for municipalities to understand that because the grant programs contained in this application are competitive, Massachusetts *CDBG does not discuss applications with local officials or their agents after the application deadline.* Therefore, please be sure that the original and each copy of your application are complete.

ELIGIBLE PROJECTS

Massachusetts CDBG grants can fund any project that is eligible under federal statute in Title I of the 1974 Housing and Community Development Act, as amended. Traditionally, communities use Massachusetts CDBG resources to carry out the following types of programs or projects through these programs. Other

activities, such as some economic development activities may be eligible for funding through other Mass CDBG Program components. This is only a partial list:

Housing assistance: rehabilitation of substandard dwelling units, lead paint abatement, first-time homebuyer counseling, down payment assistance for first-time homebuyers, rehabilitation of shelters or transitional housing, site development costs for new housing projects (in very limited instances, new housing construction), and relocation.

Economic development/commercial rehabilitation: sign and facade improvements.

Public facilities: senior centers, neighborhood centers, parks and playgrounds, youth centers, architectural barrier removal, and other types of facilities that serve the needs of low- and moderate-income persons.

Infrastructure: reconstruction of streets and sidewalks, drainage improvements, upgrade of water supply and distribution systems, and construction or repair of sewer lines, including infrastructure to housing projects.

Public social services: day care subsidies, substance abuse counseling, community policing, elder services, assistance for the homeless, disabled, illiterate adults, abused children, battered spouses, and other predominantly low- and moderate-income clientele.

Planning Projects: planning and pre-development assistance; it must be demonstrated that upon implementation the planned activities will meet a national objective.

The complete list of eligible projects in Appendix A reveals the flexible design of the Community Development Block Grant program. *However, a project retains its eligibility only if it meets one of the three national objectives of the CDBG program:* (a) benefit low- and moderate-income persons; (b) prevent or eliminate conditions of slums or blight; or (c) address an urgent or critical community need. **If it is not clear that the project, as presented in the application, can meet a National Objective, then the project cannot be funded** regardless of inclusion of the activity on the eligibility list. Detailed information about national objectives, including minimum compliance documentation, begins on page 17 of this Application Guidance.

APPLICATION REVIEW PROCESS

The Application Review process is designed to ensure that Massachusetts Community Development Block Grant funds are awarded to communities for projects that meet all threshold requirements, have demonstrated significant needs, and will have a substantial impact. The application contains the evaluation criteria that will be used to score the application. The evaluation criteria can be found within each scored question. Carefully consider the evaluation criteria while writing the grant proposal.   The application also contains explicit information about how national objective and other threshold requirements must be met for various types of projects.

Each project will be evaluated to determine whether the proposed projects meet all Massachusetts CDBG threshold tests. Failure to meet any one of these tests eliminates the project from review and it will not be scored**. Projects that do not meet the threshold for Feasibility will not be scored further or averaged with other projects that meet the Feasibility threshold.** The application is evaluated on the information it contains.

Projects meeting all threshold tests are fully reviewed and scored by two reviewers. Scoring is based on a reviewer's determination whether the answer *fully meets*, *substantially meets, partly meets* or *does not meet* the criteria.   Reviewer scores are averaged and rounded to achieve final scores. Each of the component questions in an application will be scored in accordance with the description contained in the One Year Action Plan and the criteria included in the project packet questions.   Once initial reviews have been completed, reviewers meet with review team leaders to discuss applications and reach consensus on scoring. DHCD reserves the right to conduct site visits and or verify information from state, federal or other entities.

A single-purpose application (one project) will receive a Project Need, Community Involvement and Support, Project Feasibility and Project Impact score that is based on the score for the one project included in the grant proposal.   For applications with several projects, the final score for Project Need, Community Involvement and Support, Project Feasibility, and Project Impact (up to 65 points) is calculated by averaging scores of all projects (except for planning activities) that met thresholds and were therefore reviewed and scored.   To be considered for funding, projects in a Community Development Fund I or II application must meet all threshold criteria and must receive 39 out of 65 points in Project Need, Community Involvement and Support, Project Feasibility, and Project Impact. Projects in a Mini-Entitlement application must meet all threshold criteria and must receive 33 out of 65 points in Project Need, Community Involvement and Support, Project Feasibility, and Project Impact. The following example illustrates possible scoring of a Community Development Fund I or II application:

Project	Individual Feasibility	Overall Project Score	Project Score	Fundable
Housing Rehabilitation	Yes	47	47	Yes
Public Social Services	Yes	32	32	No
Economic Development	No			
Infrastructure				
Streets	Yes	55		Yes
Water line	Yes	40 (95/2) =	48	Yes
Subtotal Project Scores			127	

Total Project Need, Community Involvement and Support, Feasibility and Impact Score (127/3) = 42

Mini-Entitlement applications will be scored similarly; the exception is that the minimum threshold score for projects is 33 out of 65 points.

Planning activity packets will be scored using Project Need and Impact criterion only and must receive at least half the available points for each criterion. Planning activity scores however, will not be included in the averaging of activity scores.

The only part of the application that readers do not score is Community-Wide Needs. Statistical need scores are all compiled and reported by Massachusetts CDBG. See Exhibits 3 and 4 in the FY 2006 Draft One Year Plan.

The entire review process takes approximately three months, depending on the number of applications received.

GRANT ADMINISTRATION GUIDANCE

The Commonwealth is not responsible for a recipient's grant management. Every municipality that receives a Massachusetts CDBG award is responsible for hiring qualified staff or consultants, supervising these individuals, and ensuring that grant programs are implemented in accordance with federal, state and, where applicable, local requirements. Chief elected officials or executive officers in municipalities considering a Massachusetts CDBG application should determine how much additional staff capacity the City of Town will need to implement the grant and then either budget for qualified personnel in the application, or provide for compensation from locally appropriated resources. For further information see the section on Management Plans.

Municipalities may propose one or more projects in an application. Applicants may also include requests for funds to cover both administration and program delivery costs, as follows:

General Administration
Up to 18% of the total grant amount can be used for general administrative expenses. These include such personnel costs as financial/secretarial support and a grant

manager to oversee program operations; and certain non-personnel expenses such as telephone, copying charges, an audit and other "overhead" types of costs.

Program Delivery
The cost of delivering a program service, such as the time spent by a housing rehabilitation specialist to inspect dwelling units, develop work write-ups, obtain bids for homeowners, and supervise construction work, is a program delivery cost which is not included in the general administration cap of 18%.

Grant Preparation Costs
If a municipality (or group of municipalities) has not received a Massachusetts CDBG grant in prior years, up to $6,000 for grant preparation can be charged as an allowable expense to the grant. For all other communities the maximum allowable expense for grant preparation is $3,000. During application development, technical assistance is available to guide local officials in determining appropriate costs.

Determining Reasonable Administrative Costs
The Administrative and Program Delivery Cost budget forms provided in this Application Package are designed to allocate grant management charges between general administration and service delivery costs. Appendix F provides guidance for salary ranges for grant management positions typically funded by Massachusetts CDBG. However, grantees have the ability to perform grant responsibilities through municipal staff or a sub-contractor. In any case, a city or town assumes the responsibility, through its Procurement Officer, of conducting procurement in accordance with applicable federal and state requirements. It is ultimately the responsibility of the Municipal Procurement Officer to establish procedures and monitor procurement operations to ensure that procurements are done properly.

Grant Awards and Administrative Costs
DHCD reserves the right to increase or decrease the award of funds for a program when either the delivery or general administration costs are insufficient or unreasonably high. Further, as we monitor a grant for federal compliance, municipalities must maintain sufficient documentation to show that costs charged to a program were actually service-related and not overhead or general administration-related. In any case it will be the grant recipient's burden to prove the reasonableness and eligibility of program delivery costs in both the application, and later, in actual practice.

APPLICATION INSTRUCTIONS AND CHECKLIST

This part of the Application Package includes all of the forms and narrative needed to produce a complete application. **Please note that the required Notice of Intent (NOI) is due 14 days prior to the application due date for all CDF I and CDF II applicants.** Each form is preceded by specific instructions. Please provide a table of contents of the application.

- *There is a six (6) page limit for responses to the scored questions of the project Packets.*

A completed Application Package includes the following:

FORMS, SPECIFICATIONS FOR PLANS AND NARRATIVES	CDF I and II applications	Mini-Entitlement applications
Notice of Intent: due 14 days prior to application deadline	**Prerequisite**	Not applicable
☐1. Application Cover Sheet	Required	Required
☐2. Joint Application Authorization Form	Required*	Required*
☐3. Table of Contents with Page Numbers	Required	Required
☐4. Timely Expenditure Standard Threshold	Required	Required
☐5. Community-Wide Needs Score Form	Required	Not required
☐6. Community Development Strategy	Required	Required
☐7. Project Packets	Required	Required
☐ General Information	Required	Required
☐ Threshold Questions (not scored) including:		
☐ Project Eligibility	Required	Required
☐ National Objective	Required	Required
☐ Consistency with CD Strategy	Required	Required
☐ Sustainable Development Consistency	Required	Required
☐ Additional Project Threshold requirements – e.g. Senior Center Documentation, Bid Ready Documents for Public Facilities, Public Social Service Eligibility	Required*	Required*
☐ Competitive Questions:		
☐ Project Need	Required	Required
☐ Community Involvement & Support	Required	Required
☐ Project Feasibility	Required	Required
☐ Project Impact	Required	Required
☐8. Request for Bonus Points	Optional	Not applicable
☐9. Implementation and Cash Flow Plan (Form)	Required	Required
☐10. Management Plan	Required	Required
☐11. Program Delivery and Administrative Cost Breakdown (Forms)	Required	Required
☐12. Budget Summary Sheet	Required	Required
☐13. Outcome Performance Summary Chart	Required	Required
☐14. Chief Financial Officer's Certification	Required	Required
☐15. Displacement of Non-CDBG Funds Certification	Required	Required
☐16. Anti-Displacement and Relocation Certification	Required	Required
☐17. Anti-Displacement and Relocation Plan (Summary)	Required	Required
☐18. Public Hearing Documentation	Required	Required
☐19. Citizen Participation Plan (Narrative)	Required	Required
☐20. Contingency Plan	Required	Required
☐21. Program Income Certification	Required	Required
☐22. Program Income Plan	Required	Required
☐23. Chief Elected Official Certification	Required	Required
☐24. Anti-Speculation and Recapture Plan (Narrative)	Required	Required
☐25. Appendices	Required	Required

    *if applicable

Notice of Intent
To Submit a Massachusetts CDBG Program Application Under the
FY 2006 Community Development Fund

This Notice of Intent (NOI) is a prerequisite to submission of a Community Development Fund Application, and is due at DHCD no later than March 15, 2006, fourteen (14) days prior to the application deadline.

Please file on-line or e-mail this NOI to maria.ferrario@state.ma.us by the end of business on March 15, 2006.

Municipality: _____

Joint Communities: _____

Program Component (check one)

CDF I _____   CDF II _____

Contact Information

Name: _____

Title: _____

Organization: _____

Telephone #: _____   Fax #: _____

E-mail: _____

_____ **Budget Code Sheet Attached**

Name of person submitting this information: _____

NOTICE OF INTENT
MASSACHUSETTS CDBG PROGRAM – CDF
Budget Summary Sheet - FY 2006

PROGRAM/PROJECT/ACTIVITY		CDBG FUNDS ($)	OTHER FUNDS	# of PACKETS
1	**PROPERTY ACQUISITION**			
2	**CLEARANCE/DEMOLITION**			
3	**RELOCATION (Permanent)**			
4	**HOUSING REHABILITATION**			
A	Program Delivery			
B	Unit Development/Creation			
C	Rehabilitation Loans/Grants			
D	Other			
5	**COMMUNITY ECONOMIC DEVELOPMENT**			
A	Program Delivery			
B	Acquisition			
C	Commercial Improvements (Signs/Facades)			
D	Assist to For-profits (formally Sm. Business Assist.)	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXX
E	Infrastructure or Streetscape Improvements			
F	Planning			
M	Other			
N	Micro-enterprise Assistance	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXX
6	**PUBLIC FACILITIES/INFRASTRUCTURE**			
A	Program Delivery			
B	Streets and Sidewalks			
C	Parks and Recreation			
D	Neighborhood Facilities			
E	Parking			
F	Water			
G	Sewer			
H	Drainage			
I	Architectural Barriers			
J	Other			
K	Design only (architectural and engineering)			
7	**OTHER/PLANNING**			
8	**PUBLIC SOCIAL SERVICES**			
A	Program Delivery			
B	Program Costs			
9	**GENERAL ADMINISTRATION**			
	TOTAL PROGRAM COSTS			

General Writing Guidelines and Page Limits for Applications

- There is a six (6) page limit for responses to the scored questions contained in each packet, except for a three (3) page limit for the planning packet. **Reviewers will not read beyond the page limit for any section.**

  Page limits do not include the application cover sheets, threshold question responses, budget forms, project description summaries, or pertinent information that can be included in attachments or the appendix.

- Responses must be submitted on-line using the Department's web-based application system or typewritten/word processed on 8 ½" X 11" paper using a 12-point (minimum) font and a margin of no less than ¾" on all sides.

- **All applicants, even those who submit applications on-line, must submit hard copies of the required Application Cover page, and Joint Authorization page, with original signatures by the appropriate Chief Elected Official(s) prior to the identified submission deadlines.**

1.   **APPLICATION COVER SHEET (Form): Instructions**

a. At the top of the cover sheet, **check off the grant program** to which you are applying.

b. Enter the **name of the applicant municipality**. If this is a joint application, enter the lead municipality in the "Municipality" space, and the participating towns in the "Joint Municipalities" spaces. Provide the individual's name and organization who prepared the application and who will manage the grant. Provide your city/town mailing address, the name and title of the grant contact person, and the address and telephone number, fax number, and e-mail address of the contact person.

c. Under **Proposed Projects**, enter the total amount of Community Development Block Grant Funds requested for each type of activity, including program delivery costs. (See Section 11 of the Required Forms, Certifications and Attachments for explanation of Program Delivery Costs.)

- **Architectural Barrier Removal -** Enter the total amount requested for Architectural Barrier Removal projects.
- **Commercial Rehabilitation -** Enter the total amount requested for Commercial Rehabilitation projects.
- **Demolition -** Enter the total amount requested for Demolition/Clearance.
- **Design -** Enter the total amount requested for architectural and engineering services for a **Public Facilities** or **Architectural Barrier Removal** project that will meet a National Objective.
- **Housing Rehabilitation/Other Housing -** Enter the total amount of all Housing Rehabilitation and any Other Housing projects.
- **Planning -** Enter the total of all projects not included in any other project categories.
- **Public Facilities/Infrastructure/Infrastructure for Downtown -** Enter the total amount of all Public Facility and Infrastructure projects.
- **Public Social Services -** Enter the total of all social service projects.
- **General Administration -** Enter the total amount of funds requested for general administration. Do not include program delivery costs in this category.
- **Application Total -** Enter the total of all projects. Must be the same as on the Budget Summary Form (see Section 12 of Application Package).

d. The Application Cover Sheet must be **signed by the Chief Elected Official** or by the Chief Executive Officer (if so authorized by the city or town charter). The individual who signs the cover sheet must be the official who is authorized to obligate the city or town to legal contracts. If this is not the Chief Elected Official (i.e., Chairman of the Board of Selectmen or Mayor), furnish the appropriate documentation in an appendix, which verifies the contractual authority of the person who signs the application cover sheet. For joint applications, this would be the Chief Elected Official or Chief Executive Officer in the lead municipality.

Please provide two (2) Application Cover Sheets in the original application (one (1) original and one (1) copy) and a copy in each of the three (3) application copies.
The completed Application Cover Sheet must be the first page of the grant application.

<table>
<tr><td colspan="2" align="center">**APPLICATION COVER SHEET**
Federal FY 2006 CDBG Application</td></tr>
</table>

☐ **Community Development Fund I**   **(date Notice of Intent submitted** _____**)**
   or
☐ **Community Development Fund II**   **(date Notice of Intent submitted** _____**)**
   or
☐ **Mini-Entitlement**

Municipality (Lead):   _____

Address: _____

Joint Municipalities: _____

Individual who prepared Grant Application: _____

Individual/organization who will manage the grant (if known): _____

Municipality Contact Person:_____
                      (Name)   (Title)
Mailing Address: _____

Phone: _____

Fax: _____ E-Mail:_____

PROPOSED PROJECTS

Architectural Barrier Removal	$_____
Community Economic Development	$_____
Demolition/Clearance	$_____
Design	$_____
Housing Rehabilitation/Other Housing	$_____
Planning	$_____
Public Facilities	$_____
Infrastructure/Infrastructure for Downtown	$_____
Public Social Service	$_____
General Administration	$_____
APPLICATION TOTAL:	$_____

To the best of my knowledge, all information in this application is true and correct.

_____   _____
Signature of Chief Elected Official   Date

_____
Name/Title of Chief Elected Official

2. JOINT APPLICATION AUTHORIZATION (Form): Instructions

Municipalities seeking a joint or regional grant, i.e., two or more communities, must submit the Joint Authorization Form. It must be signed by the Chief Elected Official of *every* municipality participating except for the Chief Elected Official of the lead municipality. The Chief Elected Official of the lead municipality signs the Application Cover Sheet.

The individual who signs the Joint Application Authorization sheet must be the official who is authorized to obligate the city or town to legal contracts. If this is not the Chief Elected Official (i.e., Chairman of the Board of Selectmen or Mayor), furnish the appropriate documentation in an appendix, which verifies the contractual authority of the person who signs the sheet.

The Joint Application Authorization Form should be the second page of the grant application.

Joint Application Authorization Form
Federal FY 2006 CDBG Applications

MUNICIPALITY: _____

_____
Signature of Chief Elected Official
_____
Typed Name/Title of Chief Elected Official

MUNICIPALITY: _____

_____
Signature of Chief Elected Official
_____
Typed Name/Title of Chief Elected Official

MUNICIPALITY: _____

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Signature of Chief Elected Official
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Typed Name/Title of Chief Elected Official

MUNICIPALITY: _____

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Signature of Chief Elected Official
_____
Typed Name/Title of Chief Elected Official

MUNICIPALITY: _____

_____
Signature of Chief Elected Official
_____
Typed Name/Title of Chief Elected Official

3. TABLE OF CONTENTS

Applicants must insert a table of contents with page numbers after the Application Cover Sheet and any required Joint Application Authorization Forms.

4. TIMELY EXPENDITURE THRESHOLD STANDARDS (For current Massachusetts CDBG grantees[1])

In accordance with the FY 2006 Draft One Year Plan, Massachusetts CDBG requires that lead applicants who have received grants comply with a timely distribution threshold in order to apply for FY 2006 programs. If a joint participant has been a lead grantee in a CDBG grant that joint participant will be included in the analysis of this threshold. In order to apply for CDBG funding, a community must demonstrate, using the last quarterly report due prior to the application date, or the most recent monthly financial status report, that as of the application due date, it has no more than $400,000 in unexpended CDBG[2] funds for all active grants awarded prior to **July 31, 2004.**

5. COMMUNITY-WIDE NEEDS SCORE

The Community-Wide Needs Score determines if an applicant applies to Community Development Fund I or to Community Development Fund II. Communities can determine which program they can apply to by referencing the FY 2006 Draft One-Year Plan.
- An applicant must have a Community-Wide Needs score of 25 or more--out of 35 points-- to apply to the Community Development Fund I program.
- An applicant must have a Community-Wide Needs score of 24 or less-- out of 35 points-- to apply to the Community Development Fund II program.

To obtain a breakdown of the needs scores for one or more communities, submit a written request to:

Department of Housing and Community Development
Massachusetts CDBG
100 Cambridge Street, Suite 300
Boston, Massachusetts 02114

Or submit a fax request to (617) 573-1460

Massachusetts CDBG will send a copy to the community's Chief Elected Official when the score breakdown is mailed. Only the lead municipality of a joint or regional application should submit a request for the Community-Wide Needs Score. Regional and joint applications scores are calculated by aggregating the data of the participating communities.

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[1] Excluding Massachusetts Community Capital Fund grants.

[2] CDBG includes CDF I and II, Mini-Entitlement, HDSP, Ready Resource, and Reserves, but for the purposes of this calculation excludes grants from Massachusetts Community Capital Fund, Section 108 and Bridge Financing Program.

The specific indicators Massachusetts CDBG uses in developing the Community-Wide Needs Score are shown in <u>Exhibit 4 of the FY 2006 One Year Action Plan</u>.

6. COMMUNITY DEVELOPMENT STRATEGY

Applicants must submit a Community Development Strategy. Guidance regarding the Community Development Strategy requirement is found in the FY 2006 One Year Action Plan on pages 5 and 6. For FY 2006 applications, the CD Strategy will be evaluated to determine adequacy and those CD strategies that do not meet the criteria will not meet the threshold and the application will not be scored. There is a seven (7) page limit per community for responses to this requirement.

7. PROJECT PACKETS:

Communities apply for funds for specific activities by submitting information in project packets specific to the type of activity requested. There are five project packets. For each project proposed, an applicant must use a separate packet.

- Construction Activities
- Design Activities (stand-alone)
- Planning Activities
- Public Services Activities
- Rehabilitation Activities (includes Housing or Commercial, and Other Housing)

A complete project packet is comprised of the following information:

- General information
  - Participating Municipalities
  - Name of Project
  - Eligible Activity threshold
- National Objective threshold
- Threshold Requirements
  - Consistency with Community Development Strategy
  - Consistency with Sustainable Development Principles
  - Additional Project Thresholds (project specific)
- Project Description
  - Project Location Information
- Project Budget Information
- Competitive Questions (4)
  - Project Need
  - Community Involvement and Support
  - Project Feasibility
  - Project Impact

The following information will provide the applicant with guidance on how to complete the project packet component of the CDBG application. Applicants should use the project packets to provide detailed information regarding proposed projects. Project

Packets are first reviewed for compliance with the thresholds requirements, and then for competitiveness.

General Information

The first section of a Project Packet requests information to identify the participating community(ies), the project name and the **Eligibility** of the activity requested. Based on this selection and the Project Description (provided elsewhere), DHCD staff will confirm the eligibility of the requested activity.

The proposed project must be eligible for funding under the rules of the CDBG program. Both Appendix A and pages 3 to 6 above this list various types of CDBG-eligible projects. Applicants should review this list to ensure that the proposed project is an eligible activity. Eligibility will be evaluated based on accordance with Title I, Section 105(a). Ineligible activities will not be scored.

National Objective Compliance

Each project must meet a national objective. National objectives and related documentation are discussed in detail in the previous section, "Guidance on Threshold Questions". National Objective responses will not be scored. The answer will be evaluated as described below.

   a) Identification of the national objective that will be met. Explain how it will be met in as much detail as possible. For example, a project could meet a national objective by benefiting low- and moderate-income persons *on an area-wide basis.*

   b) Description of appropriate type(s) of documentation available to show that the project meets a national objective.

National objectives are discussed in the CDBG Regulations for State Programs at 24 CFR Part 570.483. Each project must meet one of three national objectives:

   1. Benefit to low- and moderate-income persons; or
   2. Prevention or elimination of slums or blight; or
   3. Urgent or critical community need.

Minimum requirements for documenting each type of national objective compliance are discussed below.

Benefit to Low- and Moderate-Income Persons

Documenting one of the following can satisfy this threshold:

A.   **Area-wide Benefit -** A project will meet the national objective of benefit to low- and moderate-income persons if its benefits extend generally to all of the residents of the area in which the project is located, and 51% or more of those residents are low- and moderate-income persons. It is critical, however, that the service area determined by the grantee is the entire area served by the project. Area-wide benefit is often used to meet national objective requirements for certain types of infrastructure projects,

such as street repairs in a largely low-income neighborhood. In any case, the application must clearly document and explain how this requirement will be met.

   1.   Explain the methodology for establishing geographical boundaries of the service area and the percentage of low- and moderate-income persons.

   2.   Applicants must prove the 51% low- and moderate-income residency standard by using either HUD-supplied low- and moderate-income data, (see Appendix B) which are based on the 2000 US Census; or a survey and its results consistent with the survey methodology included in Appendix C.

- If a survey is used to substantiate a low- and moderate-income (LMI) area, a copy of the survey and summary survey results must be attached to the project packet. **The summary must also include the survey data broken down by street (total number of households on each street and the income distribution for LMI households and all other households for each street).** A valid survey is no older than three years. If between three and five years old, DHCD will consider the survey if the applicant demonstrates that the surveyed households are the same as when originally surveyed, and that no additional residences have been added to cause the survey to become statistically unreliable. Applicants should seek DHCD's advice in advance prior to using older surveys. **Note: surveys must be worded to <u>not</u> bias the results. For example, it is <u>not</u> appropriate to say, "In order for the municipality to receive desired funding, a survey must be conducted to show that most of the residents of the area have low- and moderate-income."**

   3.   Applicants must also furnish a parcel map of the target service area, showing:

- If applicable, the Census Block Groups;
- if applicable, surveyed streets and surrounding area;
- the dominant land uses; and
- if applicable, current and proposed sewer or water lines, direction of flow, storage tanks, pump stations, treatment plants and well fields.

   4.   If the residential target area contains vacant land:

- Show each vacant parcel of land on a parcel map; and
- Describe the potential future use of the land for the next five to seven years. Consideration should include current zoning, subdivision plans, planning documents, etc.; and
- Describe how future use could have an impact upon the national objective.

B.   **"Direct" Benefit for Housing Projects** - CDBG-assisted housing projects (not to be confused with a "public housing project") will meet the national objective if they predominantly benefit low- and moderate-income persons by providing them with safe, decent and sanitary housing. Housing projects include rehabilitation loans or grants, first-time homebuyer loans, etc. For such projects, grantees must collect and maintain information on household size and income to demonstrate that a low- or moderate-income household occupies assisted housing units. For buildings with two units, at least one eligible household must occupy one of the assisted units. For three

or more units, at least 51% of the assisted units must be kept occupied. Applicants must describe the specific steps to be taken to ensure compliance with this requirement, including the income information that will be obtained from clients, and the standards used to determine eligibility at the time of application.

C. **Limited Clientele Benefit**. A CDBG-assisted project will meet this national objective if it can be demonstrated that the project is designed so that the benefits are limited to certain groups with characteristics, such as:

1. <u>Groups presumed by HUD to be low- and moderate-income.</u>[3] These include the elderly; **severely disabled adults,**[4] abused children, battered spouses, homeless persons, persons with HIV/AIDS, illiterate persons, and migrant farm workers. No income verification is required for these groups unless an "income payment," such as fuel assistance, childcare subsidies or tuition payments, is being provided. Projects limited in scope to the removal of architectural barriers for severely disabled adult(s) or elderly persons categorically meet national objective requirements.

2. <u>Groups of persons already documented as low- and moderate-income.</u> For example, a recreation program for the exclusive use of residents in a low-income housing development complies. Usually no further income documentation is required for this type of project.

3. <u>Groups whose composition is such that it can be concluded that a majority of their clientele will be low- and moderate-income persons.</u> For example, projects involving soup kitchens or homeless shelters will usually qualify under this provision without further proof of income eligibility. For application purposes, the clientele must be profiled so it is clear that beneficiaries of CDBG assistance will be low- and moderate-income persons.

4. <u>Groups that can be documented to be predominantly low- and moderate-income (at least 51%).</u> Such projects must be designed to collect information on household size and income so that the program will document clientele income

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[3]HUD accepts these presumptions <u>unless</u> there is evidence to the contrary. As of the print date of this document, HUD had not yet published its calculations for the elderly low-and moderate-income households by municipality. Therefore DHCD is making those calculations. If those calculations show that a municipality has fewer then 51% of its elderly residents as low- or moderate-income, DHCD <u>will not</u> accept the elderly presumption of low- and moderate-income. A statistically reliable survey must be presented to demonstrate that the users and potential users are low- or moderate-income.

[4] Persons are classified as having a severe disability if they: (a) used a wheel-chair or had used another special aid for six months or longer; (b) are unable to perform one or more "functional activities" or need assistance with an "ADL or IADL"; (c) are prevented from working at a job or doing housework; or (d) have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, or mental retardation. Also, persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.

NOTE: For purposes of this definition, the term "functional activities" includes seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs, and walking. An ADL is an "activity of daily living" which includes getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting. An IADL is an "instrumental activity of daily living" and includes going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone.

eligibility. For example, a project that provides well-child medical care would meet the national objective if the program will collect income data to determine eligibility to receive CDBG-assisted services.

Limited clientele projects must document compliance by one of the following methods:

- For projects that do not provide "income payment" forms of assistance, beneficiaries may "self-declare" their eligibility, generally by completing and signing a form declaring household sizes and income ranges.

- For projects that offer income payments or subsidies, income must be documented.

- For projects where the user profile will be low- and moderate-income, a description of the profile must be presented so that the conclusion, without a doubt, will be to benefit low- and moderate- income persons.

D.   **Planning Projects.** An activity involving planning will meet a national objective if it is demonstrated that at least 51% of the persons who would benefit from implementation of the plan are low- and moderate-income.

Prevention of Slums and Blight

  A.   **Area basis** - There are three criteria for meeting the definition of slums or blight on an area basis. **All three must be documented in the application**. They are:

  1.   The area must meet the state's definition of deteriorated, substandard, blighted or decadent areas. Refer to Massachusetts General Laws Chapters 121A and 121B. **Applicants must show that the conditions in the target area are consistent with these state definitions**. The Chief Elected Official or other authorized official must determine, in writing, that the area is in disrepair or there is a pattern of recognizable disinvestments.

  2.   Throughout the area, there must be a substantial number of deteriorated or deteriorating buildings or public improvements or both. DHCD has determined that at least 25% of the buildings in a target area be deteriorated or deteriorating (receiving a rating of fair or poor on the inventory). Projects seeking to qualify under slums and blight based solely on deterioration of public improvements must document that the public improvements throughout the area are in a general state of deterioration. Deterioration of a single element of infrastructure, such as a road or a sidewalk, does not meet this criterion.

Because communities will receive a five-year designation of their target area if DHCD accepts the supporting documentation, DHCD requires both the building inventory and the infrastructure inventory, regardless of which will qualify the area as meeting the criterion. In addition to the above-referenced determination by the local authorized official, applicants must provide each of the four (4) items below in a separate attachment:

- A **map** clearly delineating the target area that shows the location of all buildings and public improvements that are deteriorated.

- A **parcel inventory** of all buildings in the target area. This inventory must include a photograph of each building and the building condition rating. The rating system must include standard criteria for classifying building as poor, fair, good and excellent (for survey methodology, please request FY 2005 DHCD Commercial Rehab Technical Assistance Memo) or the criteria used for the rating system must be included with the inventory.

- An **infrastructure inventory** that describes and quantifies the deterioration for each type of public improvement identified, e.g., linear feet of sidewalks, roadways, number of light fixtures. An attachment with current photographs must be used to illustrate the deterioration.

- A **table** that provides a summary of the inventory for the entire target area. This must include the total number of buildings, the type of buildings and the percentage of buildings that are deteriorated in the area as a whole. The table may also include vacancy rates and the level of disinvestments, which has contributed to the deterioration.[5]

3. The project will directly address one or more of the conditions that contributed to the deterioration of the area.

B. **Spot basis** - Rehabilitation to eliminate blight on a spot basis is limited to addressing conditions that are detrimental to public health and welfare. Applicants must provide a complete description of the site, showing why the building or property is deteriorated or deteriorating. This description must include indicators of serious health and safety concerns, structural decay, or historic significance. Projects such as acquisition, clearance, and rehabilitation may be undertaken on a spot basis. A project will not qualify on a spot basis if the project is located in an area that meets the definitions of a deteriorated, substandard or blighted area.

C. **Planning Project** - A planning project will meet this national objective if implementation of the plan will meet the criteria of elimination of slums or blight in items A or B above.

Urgent or Critical Community Need

Prior approval from Massachusetts CDBG must be obtained to use this national objective.

Threshold Requirements
In addition to CDBG thresholds for Eligibility and National Objective, additional threshold questions must be answered for each proposed project. Threshold questions

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[5]See Appendix J. The sample Slum and Blight inventory form or a substitute document should be used which provides the same information in a like format.

are not scored. However, failure to answer or meet a threshold question will result in the rejection of the project packet. Each project must:

(1) be consistent with the applicant's Community Development Strategy. (Guidance regarding the Community Development Strategy requirement is found in the FY 2006 One Year Action Plan on pages 5 and 6.) To meet this threshold a proposed project must relate to a community development need or needs identified by the community in the Strategy, and must have been identified in the Strategy as a means to address the need;

(2) be consistent with the Commonwealth's Sustainable Development principles. Consistency with the Sustainable Development principles is determined according to the Guidance found in the FY 2006 One Year Action Plan on page 5, and in Exhibits 5 and 6; and,

(3) meet any Additional Project Thresholds required. The Construction and Service packets, for example, have very specific threshold questions that must be answered.

Project Description

Provide a summary of the proposed project explaining the entire scope and essential elements of the project. If the CDBG funded project is part of a larger project include a description of the non-CDBG funded components. This question, although not scored, assists reviewers in understanding the entire proposed project/program and its eligibility. This description should be consistent with all packet information and may be used by DHCD to assess and insure project feasibility.

Budget Form

All project packets include separate budget forms except for Planning. Applicants should ensure that all dollar amounts included in the budget form are consistent with the cover sheet and all other associated information (including Summary Budget Sheet) in the application. The budget information provided will be used to confirm overall project feasibility.

Competitive Questions

There are four scored questions in each project packet worth 65 points. Questions ask for narrative responses as well as supporting materials such as documentation of funds, community support, maps, letters, forms, and photographs. Examples of documentation may include letters of commitment, certification of votes or actions, certified minutes or other verified actions. Failure to provide supporting documentation will result in a score reduction. In each packet, the applicant has the opportunity to justify the need for the project, the community involvement and support for the project, the feasibility of the project, and the anticipated impact of the project.

Within the Need, Community Involvement and Support, Feasibility, and Impact questions are the criteria that will be used to score the responses. **Note: A project that is judged not feasible will be eliminated from review and will not be scored.**

Question #1: Project Need
The need for the project will be evaluated upon the extent to which the response demonstrates the severity of need through surveys, census data, architectural and engineering studies. Applicable photographs may be included as attachments to the packet.

Question #2: Community Involvement and Support
Community Involvement/Support will be evaluated based on the extent to which the community and potential beneficiaries were provided with opportunities for involvement, demonstrated involvement and resulting support for the project, and will have access to ongoing opportunities for involvement.

Question #3: Project Feasibility
Project feasibility will be evaluated on the extent to which the project is capable of proceeding at the time of award, can be effectively managed, and can be physically and financially accomplished within the grant period.

Question #4: Project Impact
Project Impact will be evaluated on the extent to which the response documents that the activity addresses a significant amount of the identified need and that the activity proposed will have measurable improvements/identifiable outcomes that will benefit the intended beneficiaries and/or the target area.

PROJECT PACKETS AND BUDGET FORMS

Arrange your completed Project Packet to begin with the appropriate Packet pages and appropriate Budget Form(s). Each project packet can contain no more than six (6) pages of narrative for the four scored questions.

Project Packets and Budget Forms Provided

The Project Packets and Budget Forms that follow are:

1. Construction
2. Design
3. Planning
4. Public Services
5. Rehabilitation